

## CHANGES IN “TAKE HOME PAY” DURING JANUARY and FEBRUARY 2004

Many of you will experience a variety of changes in your pay over the next two months. Below is a summary of the changes you may notice.

Pay received the week of:	Reflects actions:
<i>January 8, 2004</i>	<p><b>Effective December 14, 2003, including:</b></p> <ul style="list-style-type: none"> <li>• <b>Regular Thrift Savings Plan (TSP) elections</b> received by the Public Debt Benefits Staff on or before December 13, 2003</li> <li>• <b>TSP catch-up elections</b> received by the Public Debt Benefits Staff between November 30 and December 13, 2003.</li> <li>• <b>Flexible Spending Account (FSA) enrollments</b> submitted during open season.</li> <li>• <b>2004 tax year begins.</b> This is because your pay for December 14 and later will be <i>received</i> in calendar year 2004.</li> </ul>
<i>January 22, 2004</i>	<p><b>Effective December 28, 2003, including:</b></p> <ul style="list-style-type: none"> <li>• <b>Regular TSP elections</b> received by the Public Debt Benefits Staff between December 14 and December 27, 2003.</li> <li>• <b>TSP catch-up elections</b> received by the Public Debt Benefits Staff between December 14 and December 27, 2003.</li> </ul>
<i>February 5, 2004</i>	<p><b>Effective January 11, 2003, including:</b></p> <ul style="list-style-type: none"> <li>• <b>Annual Pay Raise</b>—Most employees will receive annual pay raises at this time. Pay charts will be posted on the U.S. Office of Personnel Management’s Web site (<a href="http://www.opm.gov">www.opm.gov</a>) as soon as they are available.</li> <li>• <b>Health Insurance Open Season Changes and Rates</b>—Your 2004 rate will probably be different from your 2003 rate, even if you didn’t make any changes. If you changed plans during open season, your old plan will provide coverage through January 10, 2004.</li> <li>• <b>Regular TSP elections</b> received by the Public Debt Benefits Staff between December 28 and December 31, 2003.</li> <li>• <b>TSP catch-up elections</b> received by the Public Debt Benefits Staff between December 28, 2003,</li> </ul>

	<p>and January 10, 2004.</p> <ul style="list-style-type: none"> <li>• <b>Life Insurance Rates</b>—Life insurance premiums for Option B coverage will increase for employees age 70 and over.</li> <li>• <b>Combined Federal Campaign (CFC)</b>—Payroll deductions for your 2004 CFC elections will begin</li> </ul>
<p><b>Other changes that may affect your pay during the year:</b></p> <ul style="list-style-type: none"> <li>• <b>Social Security</b>—The maximum taxable wage base for Social Security increases from \$87,000 to \$87,900 in 2004. This means you will pay Social Security tax only on the first \$87,900 of wages received in 2004.</li> <li>• <b>Federal Income Taxes</b>—Although tax rates are not expected to change for 2004, your taxes will adjust with changes in your health insurance premiums, TSP contributions, and annual salary.</li> </ul>	